



# A1 Consolidated Gold

**A1 Consolidated Gold Ltd**

ABN 50 149 308 921

ASX:AYC

## Investment Highlights:

Advanced project on granted mining lease – fully operational mine site including underground development & infrastructure

Inferred Mineral Resource in accordance with the JORC Code of 133,000 oz Gold 750,000 tonnes @ 5.5 g/t Au<sup>(1,2)</sup>

Developing decline at approx 100 metres per month – stockpiling gold bearing material on site

## Board of Directors:

### Chairman

Ashok Parekh

### Managing Director

Dennis Clark

### Technical Director

Darren Croucher

### Non-Executive Directors

Morrie Goodz

Glenn Wardle

Jeff Williams

### Joint Company Secretary

Emma Walczak

Dennis Wilkins

## Capital Structure:

138,208,921 ordinary shares

26,666,667 unlisted options

## Contact:

Emma Walczak

Dennis Wilkins

Tel: +61 8 9389 2111

[info@a1consolidated.com.au](mailto:info@a1consolidated.com.au)

## Quarterly Activity Report for the Period Ended 31<sup>st</sup> December 2012

Victorian-based near-term gold producer, A1 Consolidated Gold Limited (ASX: AYC) is pleased to report its activities on the Company's gold project in north-eastern Victoria for the quarter ending 31st December 2012.

### Highlights:

- Decline development continued on time and budget, due to reach the 1400 Stockwork Zone by June 2013, which will allow for an increased rate of mining
- Underground exploration drilling intersected mineralised stockwork dyke immediately to the north of the current decline development
- Surface drilling of the northern extension intersected the dyke corridor at a downhole width of circa 30m
- Geological modelling identified a possible repetition of the main central dyke bulge in the Southern Extension

<sup>(1)</sup>Mineral Resources which are not Ore Reserves do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, operational cost, metal price, mining control, dilution or other relevant issues. There has been insufficient exploration at this date to define these Inferred Mineral Resources as an Indicated or Measured Mineral Resource, as there is insufficient close-spaced drill hole data to adequately define grade and geological continuity for this structurally complex deposit. It is uncertain if further exploration will result in upgrading the Inferred Mineral Resource to an Indicated or Measured Mineral Resource category or to Ore Reserves.

<sup>(2)</sup>Tonnage is reported in metric tonnes, grade as grams per tonne gold (g/t gold) and contained gold in troy ounces (oz gold). Total tonnes have been rounded to the nearest 5000 tonnes and ounces to the nearest 1000 oz. The grade is rounded to the nearest 0.5 g/t gold to indicate the accuracy of the estimate. The most likely cut-off grade for this deposit is not known and will need to be confirmed by the appropriate economic studies, but is provisionally considered to be 3 g/t gold.

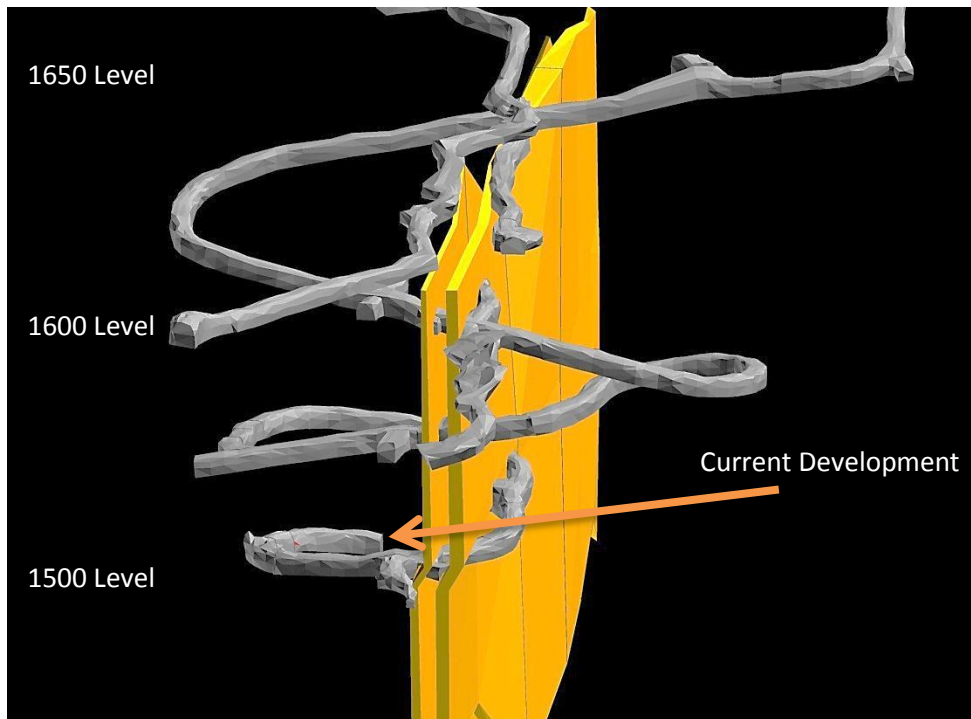




## Development

The Company continued to develop the Underground Decline on time and on budget. The Decline is scheduled to reach the 1450 level by mid-June 2013 as per the Company's prospectus at which point it expects to be able to significantly increase the rate of mining at the A1 Gold Mine.

As part of the decline design, the loops of the decline have intersected the host dyke structure multiple times and management have observed the dyke to be wider than previously expected. The current diamond drilling program has intersected stockwork dyke immediately to the north of the decline at the 1550 level.



(Figure is a screen capture and not to be scaled, but for illustration purposes only)

**Figure 1: Current Development Isometric View**





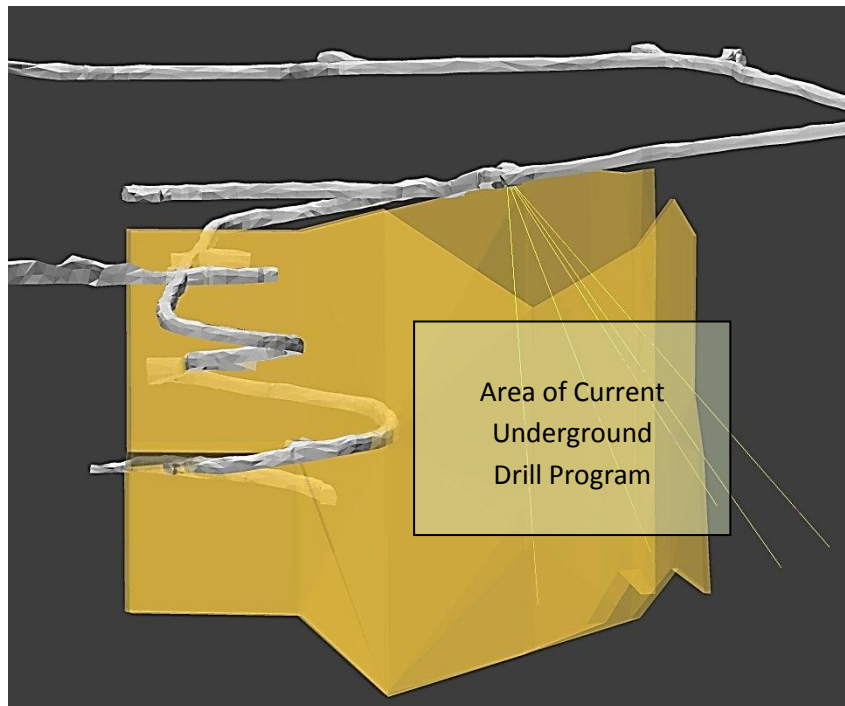
## Exploration

As part of the Company's longer term plans at the A1 Gold Project it has embarked on a significant exploration drilling program comprising drilling from both surface and underground. Exploration drilling activities will continue throughout 2013 as the Company seeks to convert exploration targets into resources.

### **Underground Drilling**

The underground drilling has been undertaken by a compact drilling rig owned by the Company and is aimed at identifying further targets that could be developed and economically extracted as the decline is developed toward the 1400 level.

A1 has identified mineralised stockworks in the dyke corridor immediately to the north of the current decline development.



(Figure is a screen capture and not to be scaled, but for illustration purposes only)

**Figure 2: Current Drill Program Long Section Isometric View**







Hole No A1 UDH 012 has intersected mineralised stockwork dyke for 5.4m from 116.5m to 121.9m. Cutting and sampling of the core will be undertaken early in Q1 2013.



Figure 3: Tray No. 29 Hole No. A1UDH012



Figure 4: Tray No. 30 Hole No. A1UDH012

The underground drilling program is located to the north of the current decline development in a previously unexplored section of the Dyke Corridor. The results to date are very encouraging and drilling will continue in 2013.





### Surface Drilling: Northern Extension

A surface drilling program commenced on the A1 Dyke Northern Extension in September. Holes A1SDH001, A1SDH002 & A1SDH003 were completed with all intersecting the Dyke Corridor.

The Northern Extension has a JORC Exploration Target of 4,000,000 to 6,000,000 tonnes with a grade range of 3.0 g/t to 11.0 g/t Au.<sup>(2)</sup>

The holes intersected the dyke corridor at ~30.0m of down-hole width, (expected true width of upon logging to be >25.0m).

Logging and assay results are pending with full results from the program to be received in Quarter 1 2013.

**Table 1: Tabulated tonnage and grade ranges for exploration target**

Mineralisation Area	Tonnage Range (t)		Grade Range (g/t Au)	
	From	To	From	To
Upper 1400 Stockworks	1,000,000	1,300,000	5.0	11.0
Lower 1400 Stockworks	800,000	1,000,000	3.0	9.0
Northern Extension	4,000,000	6,000,000	3.0	11.0
1650 Stockworks	70,000	100,000	5.0	11.0
<b>Total</b>	<b>5,870,000</b>	<b>8,400,000</b>	<b>3.0</b>	<b>11.0</b>

\*Note Discrepancies in calculation numbers are affected by rounding

<sup>(2)</sup> References to exploration target size and Target Mineralisation in this release are conceptual in nature and should not be construed as indicating the existence of a JORC Code compliant mineral resource. There is insufficient information to establish whether further exploration will result in the determination of a mineral resource within the meaning of the JORC Code.

**Figure 5: Surface Drill Rig**  
**Drill Hole A1SDH001**  
**September 2012**

(The Drill Rig is owned by a contractor and not part of the Company's assets)



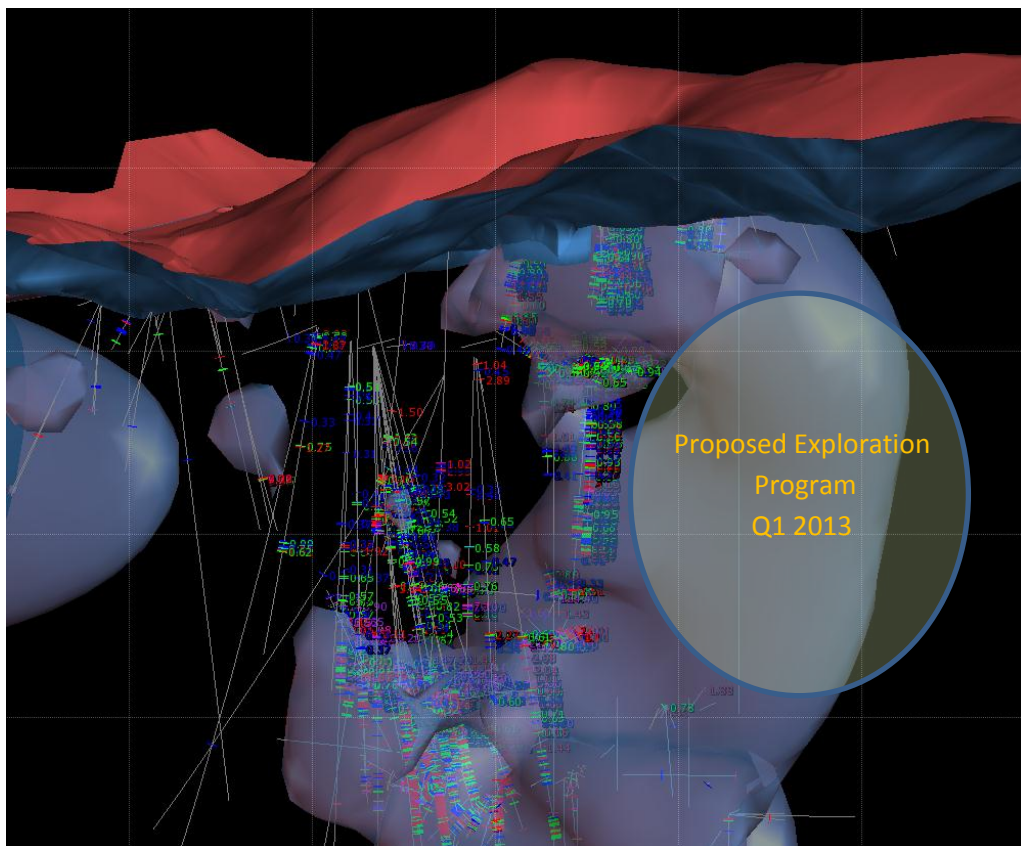




### Surface Drilling: Southern Extension

Geological modelling and a recent study identified a possible repetition of the main central dyke bulge to the south of the historical workings.

A surface drilling program has been designed to commence testing this area in January 2013, with an initial program of 1200 metres of diamond drilling. The drill site and access earthworks have been completed, with the drilling contractor due to mobilise to site in February 2013.



(Figure is a screen capture and not to be scaled, but for illustration purposes only)

**Figure 6: Area of Proposed Drill Program Long Section Isometric View**





## A1 Gold Mine (MIN5294)

### ➤ Safety

There were no lost time injuries during the quarter.

The Company has achieved in excess of 125,000 hours lost time injury free (LTI) at the end of the December quarter.

### ➤ Underground Development

The Decline was extended 225 metres and is currently at the 1545 level.

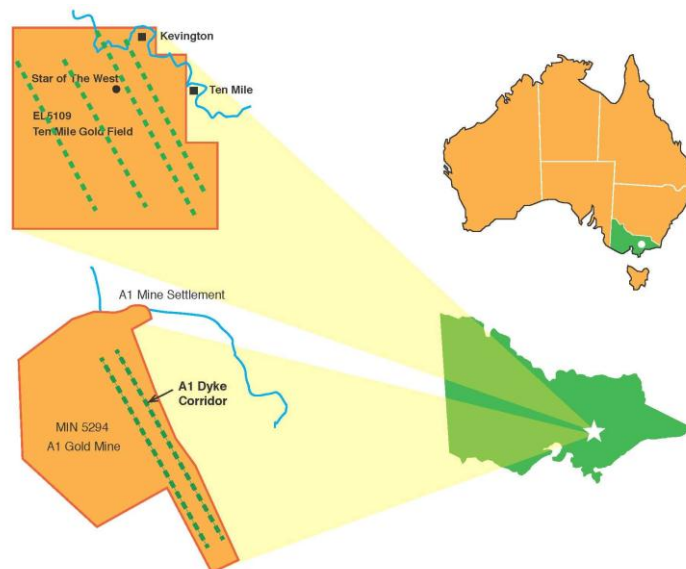
Lateral development was completed for a further 76 metres.

The mine dewatering system has been upgraded and is working efficiently. The Company has purchased two new mono-pumps capable of a 300.0m vertical lift.

## About the Company

A1 Consolidated Gold Ltd is a junior gold exploration company focused on developing the A1 Gold Project in the Woods Point – Walhalla Goldfield located in north-eastern Victoria (Figure 2). The Company has also acquired two mineral tenements to the north of the A1 Gold Mine for further exploration. A1 Consolidated Gold is currently developing an underground decline to the 1400 Stockwork Zone and expects to reach this zone in July 2013. The mining design is for a bulk mineable ore-body.

Figure 7: Location of Tenements



(Figure is not to scale, but for illustration purposes only)





## Exploration Target

The Stockwork Zones have also been identified to host a further JORC exploration target of between 5.8 to 8.4 million tonnes with a grade range of 3.0 to 11.0 g/t Au<sup>(3)</sup> (Table 1)

**Table 1: Tabulated tonnage and grade ranges for exploration target**

Mineralisation Area	Tonnage Range (t)		Grade Range (g/t Au)	
	From	To	From	To
Upper 1400 Stockworks	1,000,000	1,300,000	5.0	11.0
Lower 1400 Stockworks	800,000	1,000,000	3.0	9.0
Northern Extension	4,000,000	6,000,000	3.0	11.0
1650 Stockworks	70,000	100,000	5.0	11.0
<b>Total</b>	<b>5,870,000</b>	<b>8,400,000</b>	<b>3.0</b>	<b>11.0</b>

\*Note Discrepancies in calculation numbers are affected by rounding

<sup>(3)</sup>References to exploration target size and Target Mineralisation in this release are conceptual in nature and should not be construed as indicating the existence of a JORC Code compliant mineral resource. There is insufficient information to establish whether further exploration will result in the determination of a mineral resource within the meaning of the JORC Code.

## Competent Persons Statement

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Morrie Goodz who is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Goodz is a Director of A1 Consolidated Gold Limited, and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to qualify as a Competent Person as defined in the 2004 Edition of the JORC Code. Mr Goodz has given his consent to the inclusion in the report of the matters based on this information in the form and context in which it appears.

Information that relates to exploration and production targets refers to targets that are conceptual in nature, where there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

## Forward Looking Statements

Certain statements made during or in connection with this communication, including, without limitation, those concerning the economic outlook for the mining industry, expectations regarding gold prices, exploration costs, production costs and other operating results, growth prospects and the outlook of A1 Consolidated Gold Limited's operations contain or comprise certain forward looking statements regarding A1 Consolidated Gold Limited's exploration & development operations, economic performance and financial condition. Although A1 Consolidated Gold Limited believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct.

Accordingly, results could differ materially from those set out in the forward looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes that could result from future acquisitions of new exploration properties, the risks and hazards inherent in the mining business (including industrial accidents, environmental hazards or geologically related conditions), changes in the regulatory environment and other government actions, mine development and operating risks, delays in obtaining governmental approvals or financing or in the completion of development or construction activities, discrepancies between actual and estimated production, risks inherent in the ownership, exploration and operation of or investment in mining properties, fluctuations in gold prices and exchange rates and business and operations risks management, as well as generally those additional factors set forth in our periodic filings with ASX. A1 Consolidated Gold Limited undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events.





# Appendix 5B

## Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

A1 CONSOLIDATED GOLD LIMITED

ABN

50 149 308 921

Quarter ended ("current quarter")

31 DECEMBER 2012

### Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date ( 6 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(1,434)	(3,611)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(251)	(426)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	49	123
1.5	Interest and other costs of finance paid	(2)	(2)
1.6	Income taxes paid	-	-
1.7	Other – GST	13	158
	<b>Net Operating Cash Flows</b>	<b>(1,625)</b>	<b>(3,758)</b>
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(170)	(232)
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other – Bonds lodged	-	(113)
	<b>Net investing cash flows</b>	<b>(170)</b>	<b>(345)</b>
1.13	Total operating and investing cash flows (carried forward)	(1,795)	(4,103)

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(1,795)	(4,103)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	(19)	(34)
1.18	Dividends paid	-	-
1.19	Other - Capital raising costs	-	(16)
	- Miscellaneous	5	5
	<b>Net financing cash flows</b>	<b>(14)</b>	<b>(45)</b>
	<b>Net increase (decrease) in cash held</b>	<b>(1,809)</b>	<b>(4,148)</b>
1.20	Cash at beginning of quarter/year to date	5,862	8,201
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>4,053</b>	<b>4,053</b>

**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

	Current quarter \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	114
1.24 Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

Payments to related entities for:	\$A'000
Mine operating goods and services	16
Directors fees and superannuation	36
Company secretary fees	15
Salaries	47

**Non-cash financing and investing activities**

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

NIL
-----

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

NIL
-----

**Financing facilities available**

+ See chapter 19 for defined terms.



*Add notes as necessary for an understanding of the position.*

	Amount available \$A'ooo	Amount used \$A'ooo
3.1 Loan facilities	NIL	NIL
3.2 Credit standby arrangements	NIL	NIL

### Estimated cash outflows for next quarter

	\$A'ooo
4.1 Exploration and evaluation	225
4.2 Development	1,182
4.3 Production	-
4.4 Administration	288
<b>Total</b>	<b>1,695</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'ooo	Previous quarter \$A'ooo
5.1 Cash on hand and at bank	34	113
5.2 Deposits at call	4,019	5,749
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>4,053</b>	<b>5,862</b>

### Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	-	-	-	-
6.2 Interests in mining tenements acquired or increased	-	-	-	-

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	<b>Preference securities</b> (description)	Not applicable			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	<b>*Ordinary securities</b>	138,208,291	56,658,915	Fully paid	Fully paid
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	- -	- -	- -	- -
7.5	<b>*Convertible debt securities</b> (description)	Not applicable			
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	<b>Options</b> (description and conversion factor)	26,666,667 2,000,000	- -	Exercise price 40 cents 42 cents	Expiry date 31 December 2014 31 December 2014
7.8	Issued during quarter	2,000,000	-	-	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	-	-	-	-
7.11	<b>Debentures</b> (totals only)	Not applicable			

+ See chapter 19 for defined terms.



7.12	<b>Unsecured notes</b> ( <i>totals only</i> )	Not applicable	
------	---	----------------	--

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act [or other standards acceptable to ASX \(see note 5\)](#).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



Date: 31 January 2013

(Director)

Print name:

Dennis Clark

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

== == == == ==

For personal use only